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FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 31, 1992
OR
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OF 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-11781

HOSPITAL STAFFING SERVICES, INC.
(Exact name of registrant as specified in its charter)

FLORIDA	59-2150637
(State or other jurisdiction of incorporation or organization)	(I.R.S.Employer Identification number)

4345 North Federal Highway, Suite 500
Fort Lauderdale, Florida 33308
(Address of principal executive offices)

PROCESSED BY
JUL 17 1992
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Q-Data Corp. - St. Petersburg, FL

(305) 771 - 0500
Registrant's telephone number, including area code

Not Applicable
Former name, former address and former fiscal year if changed since last report

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

CLASS	OUTSTANDING AT May 31, 1992
Common Stock, $.001 par value	5,450,020

HOSPITAL STAFFING SERVICES, INC. AND SUBSIDIARIES
FORM 10-Q
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HOSPITAL STAFFING SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
MAY 31, 1992 AND NOVEMBER 30, 1991

ASSETS

	MAY 31 1992	NOVEMBER 30 1991
	(Unaudited)	
CURRENT ASSETS:		
Cash and cash equivalents	$2,080,189	$4,488,285
Short-term investments	265,825	7,400,000
Accounts receivable, less allowance for doubtful accounts of $914,575 and $1,828,101, respectively	25,086,585	19,111,190
Prepaid expenses	1,018,917	538,566
Amounts due from officers/directors	315,094	307,916
Income taxes receivable	812,563	-
Deferred income taxes	882,899	623,300
Other	97,799	72,864
Total current assets	30,480,671	32,361,241
PROPERTY AND EQUIPMENT, at cost	3,827,853	3,194,687
Less: Accumulated depreciation and amortization	(1,108,913)	(940,897)
Net property and equipment	2,718,940	2,254,590
INTANGIBLES RELATED TO BUSINESSES ACQUIRED	6,718,963	6,566,675
NON-COMPETITION AGREEMENTS	1,628,250	1,000,000
Total intangibles	8,347,213	7,566,675
Less: Accumulated amortization	(792,693)	(539,434)
Net intangibles	7,554,520	7,027,241
DEPOSITS AND OTHER ASSETS	351,467	223,805
Total non-current assets	10,624,927	9,505,636
Total assets	$41,105,598	$41,866,877

LIABILITIES AND STOCKHOLDERS' EQUITY

	MAY 31 1992	NOVEMBER 30 1991
	(Unaudited)	
CURRENT LIABILITIES:		
Accounts payable	$2,791,971	$4,441,241
Short-term loan payable	1,000,000	3,000,000
Current portion term note payable	1,000,000	1,000,000
Accrued payroll and payroll taxes	3,735,162	3,305,328
Accrued expenses	2,110,755	967,090
Income taxes payable	-	233,201
Total current liabilities	10,637,888	12,847,660
NON-CURRENT PORTION TERM NOTE PAYABLE	1,000,000	1,500,000
OTHER NON-CURRENT LIABILITIES	450,540	399,535
Total liabilities	12,088,428	14,747,195
COMMITMENTS (Note 6)		
STOCKHOLDERS' EQUITY		
Preferred stock-$.001 par value; 5,000,000 shares authorized; none issued and outstanding	-	-
Common stock - $.001 par value; 10,000,000 shares authorized; 5,450,820 and 5,406,907 shares issued and outstanding	5,450	5,407
Additional paid in capital	20,384,412	20,091,652
Retained earnings	8,639,181	7,834,496
Notes receivable - stockholders	(11,873)	(11,873)
Total stockholders' equity	29,017,170	27,119,682
Total liabilities and stockholders' equity	$41,105,598	$41,866,877

The accompanying notes to consolidated condensed financial statements are an integral part of these consolidated condensed balance sheets.

HOSPITAL STAFFING SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MAY 31, 1992 AND MAY 31, 1991 AND
FOR THE SIX MONTHS ENDED MAY 31, 1992 AND MAY 31, 1991
(UNAUDITED)

	THREE MONTHS ENDED MAY 31,		SIX MONTHS ENDED MAY 31	
	1992	1991	1992	1991
REVENUE FROM SERVICES	$32,660,965	$22,501,436	$63,110,488	$40,018,244
COST OF SERVICES:				
PROFESSIONAL SALARIES AND PAYROLL TAXES	19,184,111	13,287,683	38,164,170	24,001,809
OTHER PROFESSIONAL EXPENSES	1,582,928	987,570	2,975,351	1,916,999
TOTAL COST OF SERVICES	20,767,039	14,275,253	41,139,521	25,920,808
GROSS MARGIN	11,902,926	8,226,183	21,970,967	14,097,436
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	10,780,461	7,029,610	19,732,329	12,153,993
INCOME FROM OPERATIONS	1,122,465	1,196,573	2,238,638	1,943,533
INTEREST AND OTHER INCOME (EXPENSE):				
INTEREST (EXPENSE)	(65,567)	(162,856)	(158,200)	(250,567)
INTEREST INCOME	48,352	42,802	150,674	78,677
OTHER INCOME, NET	24,333	19,608	400,573	45,996
TOTAL INTEREST AND OTHER INCOME (EXPENSE)	7,118	(101,246)	393,047	(125,894)
INCOME BEFORE PROVISION FOR INCOME TAXES	1,129,583	1,095,327	2,631,685	1,817,639
PROVISION FOR INCOME TAXES	442,758	440,000	1,027,000	719,000
NET INCOME	$686,825	$655,327	$1,604,685	$1,098,639
PRIMARY EARNINGS PER COMMON AND COMMON SHARE EQUIVALENT	$0.12	$0.14	$0.27	$0.25
FULLY DILUTED EARNINGS PER COMMON AND COMMON SHARE EQUIVALENT	$0.12	$0.14	$0.27	$0.25
WEIGHTED AVERAGE COMMON AND COMMON SHARE EQUIVALENTS OUTSTANDING:				
PRIMARY	5,897,601	4,565,454	5,913,565	4,479,082
FULLY DILUTED	5,897,601	4,565,454	5,913,565	4,479,082

The accompanying notes to consolidated condensed financial statements are an integral part of these consolidated condensed statements.

HOSPITAL STAFFING SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED NOVEMBER 30, 1991 AND
FOR THE SIX MONTHS ENDED MAY 31, 1992

	Common Stock		Additional Paid-In Capital	Notes Receivable-Stockholders	Retained Earnings
	Number of Shares Outstanding	Amount			
BALANCE, November 30, 1990	4,211,283	$4,211	$9,499,821	($227,011)	$4,323,101
Issuance of common stock, net of offering expenses	1,151,600	1,152	10,278,210	-	-
Exercise of stock options	44,304	44	181,777	-	-
Payment of notes receivable	-	-	-	215,138	-
Tax benefit of disqualifying disposition of incentive stock options	-	-	131,844	-	-
Net income	-	-	-	-	2,711,395
BALANCE, November 30, 1991	5,406,987	5,407	20,091,652	(11,873)	7,034,496
Offering costs of issuance of common stock	-	-	(13,829)	-	-
Exercise of stock options	43,033	43	154,534	-	-
Tax benefit of disqualifying disposition of incentive stock options	-	-	152,055	-	-
Net income	-	-	-	-	1,604,685
BALANCE, May 31, 1992 (Unaudited)	5,450,020	$5,450	$20,384,412	($11,873)	$8,639,181

The accompanying notes to consolidated condensed financial statements are an integral part of these consolidated condensed statements.

HOSPITAL STAFFING SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED MAY 31, 1992 AND MAY 31, 1991
(Unaudited)

	SIX MONTHS ENDED MAY 31, 1992	1991
CASH FLOWS (USED) BY OPERATING ACTIVITIES:		
Net income	$1,604,685	$1,998,659
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization	573,976	397,321
Provision for losses on accounts receivable	241,906	428,811
Loss (gain) on disposal and retirement of property and equipment	21,115	-
Deferred income tax provision	(179,599)	(209,000)
Changes in assets and liabilities, net of effects of acquisition of Carepoint:		
(Increase) decrease in assets:		
Accounts receivable	(6,217,381)	(3,781,396)
Prepaid expenses and other current assets	(400,351)	(443,347)
Amounts due from officers/directors	(107,979)	(22,809)
Income taxes receivable	(812,543)	98,306
Deposits and other assets	(153,399)	101,873
Increase (decrease) in liabilities:		
Accounts payable	(1,649,279)	1,320,766
Accrued payroll and payroll taxes	429,834	213,469
Accrued expenses	1,842,865	423,192
Other liabilities	51,005	108,964
Income taxes payable	(233,281)	-
Total adjustments	(6,672,961)	(1,461,850)
NET CASH (USED) BY OPERATING ACTIVITIES	(5,068,276)	(363,211)
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES:		
Sale (purchase) of short term investments, net	7,134,175	985,000
Capital expenditures	(813,388)	(439,783)
Proceeds from disposal of fixed assets	7,200	-
Payment for purchase of CarePoint	-	(2,000,950)
Payment of earn-out purchase price of Continental	(600,000)	(53,401)
Purchase of intangible asset	(117,200)	-
Payment for purchase of a business	(35,000)	-
Payment for non-competition agreement	(628,250)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	4,947,457	(2,517,134)
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES:		
Payments under short term loan payable	(2,000,000)	-
Payments under term note payable	(305,000)	-
Line of credit borrowings	2,000,000	4,000,000
Line of credit repayments	(2,000,000)	(1,000,000)
Proceeds from issuance of common stock	154,577	10,000
Offering costs of issuance of common stock	(13,829)	-
Tax benefit of disqualifying disposition of incentive stock options	152,855	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(2,207,197)	3,010,000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,328,016)	129,655
Cash and cash equivalents at beginning of period	4,468,205	466,223
Cash and cash equivalents at end of period	$2,040,189	$595,878
Supplemental Cash Flow Disclosure:		
Cash paid: Income Taxes	$2,048,685	$850,706
Interest	$174,282	$214,000

The accompanying notes to consolidated condensed financial statements are an integral part of these consolidated condensed statements.

HOSPITAL STAFFING SERVICES, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
May 31, 1992
(Unaudited)

NOTE 1: Significant Accounting Policies -

The accounting policies followed by Hospital Staffing Services, Inc. and subsidiaries (the "Company") for quarterly financial reporting purposes are the same as those disclosed in the Company's annual financial statements. In the opinion of management, the accompanying consolidated condensed financial statements reflect all adjustments (which consist only of normal recurring adjustments) necessary for a fair presentation of the information presented.

The quarterly consolidated condensed financial statements herein have been prepared by the Company without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. Although the Company's management believes the disclosures are adequate to make the information not misleading, it is suggested that these quarterly consolidated condensed financial statements be read in conjunction with the audited annual financial statements and footnotes thereto.

Certain amounts in the accompanying consolidated condensed 1991 financial statements have been reclassified to conform to the 1992 presentation.

NOTE 2: Acquisitions -

Effective February 24, 1991, the Company acquired substantially all of the assets, exclusive of accounts receivable, of CarePoint Personal Services d/b/a CarePoint Nursing Services ("CarePoint") for $2,300,000 in cash and a three-year non-competition agreement at a cost of $500,000. The acquisition was accounted for as a purchase, and, accordingly, the net assets acquired and results of operations of CarePoint have been included in the Company's consolidated financial statements commencing on February 24, 1991.

The following unaudited pro forma summary for the six months ended May 31, 1991 combine the consolidated results of operations of the Company and CarePoint as if the acquisition had occurred at the beginning of the period presented, after giving effect to certain adjustments, including amortization of intangibles related to the business acquired and non-competition agreement, interest expense on the acquisition's debt and related income tax effects. This pro forma summary does not necessarily reflect the actual results which would have occurred if the acquisition of CarePoint had taken place on the assumed date, nor are they necessarily indicative of the results of future consolidated operations.

For The Six Months Ended May 31, 1991:

Revenue from services	$42,621,000
Net income	$ 1,102,000
Primary earnings per common and common share equivalent	$ 0.25
Primary weighted average common and common share equivalents outstanding	4,479,082

On May 28, 1992 the Company signed a letter of intent to acquire VIP Health Services, Inc. and VIP Health Care Services, privately-held home healthcare companies that share common ownership and service the New York metropolitan area, for a combined purchase price of approximately $8 million in cash, plus an amount equal to the net book value of the two companies (principally accounts receivable). The closing of the transaction is anticipated to take place in September 1992, subject to the Company's due diligence and New York State licensure requirements.

NOTE 3: Debt -

During the quarter ended May 31, 1992 the Company obtained a $13.5 million line of credit to replace its $5.5 million line of credit. The new line of credit was obtained to satisfy future working capital requirements, retire the remaining outstanding borrowings under the term note and term loan, and to provide a $1.5 million standby letter of credit for the Company's self-funded workers compensation program. The principal borrowing amounts which can be outstanding in the aggregate under the line of credit, the term note, the term loan and the standby letter of credit may not exceed

$13.5 million at any one time. The instruments require monthly interest payments equal to the bank's prime rate, are secured by accounts receivable, and require the Company to adhere to certain financial covenants. The Company was in compliance with such covenants as of May 31, 1992.

Outstanding principal borrowings under the term note as of May 31, 1992 mature as follows:

Due Date	Amount
July 5, 1992	$ 500,000
January 5, 1993	500,000
July 5, 1993	500,000
January 5, 1994	500,000
	2,000,000
Less: Current portion	1,000,000
Non-current portion	$1,000,000

The term loan has a $1 million principal balance outstanding at May 31, 1992 and matures in two equal monthly installments through July 5, 1992.

There were no principal borrowings outstanding at May 31, 1992 under the line of credit, which matures on May 5, 1993.

NOTE 4: Stockholders' Equity -

During the three months ended May 31, 1992 27,500 options were granted under the Company's 1990 stock option plan at exercise prices of $9.00 and $10.25 per share, vesting ranges from immediately to over three years, and exercisability ranges from two to five years. Also during the three months ended May 31, 1992 options under the Company's 1983 stock option plan were exercised for 6,833 shares of common stock at exercise prices of $5.875 and $6.50 per share. Options were exercised under the Company's 1990 stock option plan during the quarter ended May 31, 1992 for 11,200 shares of common stock at an exercise price of $3.00 per share.

In June 1992, the following occurred:

On June 1, 1992 the Company's common stock commenced trading on the New York Stock Exchange pursuant to a Form 8-A Registration Statement declared effective by the Securities and Exchange Commission on May 29, 1992. In connection therewith, the Company's common stock was voluntarily delisted from NASDAQ at the close of business on May 29, 1992.

Effective June 3, 1992 the Company amended its arcticles of incorporation to increase its authorized number of shares of common stock, par value $.001 per share, to 20,000,000 shares as approved by its shareholders on May 29, 1992.

On June 16, 1992 the Company amended and restated the 1990 stock option plan to increase the number of shares of common stock which may be issued thereunder to 770,000 shares as approved by its shareholders on May 29, 1992.

NOTE 5: Earnings Per Common and Common Share Equivalent -

Earnings per common and common share equivalent are based on the combined weighted average number of common shares and common share equivalents outstanding which includes the assumed exercise of those stock options and warrants which are dilutive.

The Company utilizes the treasury stock method for computing earnings per share. Under the treasury stock method the dilutive effect of outstanding common stock equivalents for determining primary earnings per share is computed using the average market price during the period, whereas the dilutive effect of outstanding common stock equivalents for determining fully diluted earnings per share is computed using the market price as of period end, if greater than the average market price.

NOTE 6: Commitments -

Rents:

The Company conducts a major portion of its operations from various leased office facilities.

The Company has a ten year, non-cancelable operating lease agreement for its corporate office facility. While the lease provides the Company with a free rent period, the accompanying statements of operations reflects rent expense on a straight-line basis over the term of the lease. Other non-current liabilities in the accompanying consolidated condensed balance sheets represents the pro rata future payments due under the terms of the lease agreement.

Future minimum lease payments under all non-cancelable operating lease agreements with remaining lease terms in excess of one year as of May 31, 1992 are as follows:

Fiscal Year	Amount
1992	$ 651,671
1993	1,153,626
1994	911,810
1995	645,297
1996	376,929
Thereafter	1,117,560
Total	$4,876,893

HOSPITAL STAFFING SERVICES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
May 31, 1992

Liquidity and Capital Resources -

Prior to its acquisition of CHA, the Company funded its growth internally and through net proceeds of $9,036,000 from two public offerings. In order to finance a portion of the acquisition costs of CHA and CarePoint in July 1990 and February 1991, respectively, and to satisfy related future working capital requirements the Company became a borrower under a line of credit, term note and term loan.

In April 1992, the Company obtained a $13.5 million line of credit primarily to meet its projected increased working capital needs in response to the significant internal growth achieved on the acquired businesses and to retire the then remaining outstanding borrowings under the term note and term loan. The debt instruments require monthly interest payments equal to the bank's prime rate, are secured by accounts receivable, and require the Company to adhere to certain financial covenants. The Company was in compliance with such covenants as of May 31, 1992.

In October 1991, the Company completed a secondary public offering for which the Company sold 1,151,400 shares of common stock at aggregate proceeds, net of underwriting discounts, commissions, and other offering expenses of $10,279,362.

During the quarter ended May 31, 1992, the Company generated approximately $800,000 in cash from operating activities. This cash was primarily attributable to income from operations and collection of accounts receivable.

In addition to cash flow from operating activities the Company's overall cash position is significantly effected by its investing and financing activities. Significant investing activities during the second quarter of 1992 consisted of approximately $500,000 in capital expenditures. Financing activities principally consisted of payments according to the scheduled maturities of debt.

As of May 31 , 1992, the Company had approximately $19.8 million of working capital and approximately $2.3 million of cash and short-term investments. The ratio of current assets to current liabilities at May 31, 1992 was 2.9 to 1. As of May 31, 1992, the Company had no other commitments that would require large or unusual amounts of cash except for office rents and computer hardware and software.

Results of Operations -
Three Months Ended May 31, 1992 Compared With Three Months Ended May 31, 1991

Revenue for the quarter ended May 31, 1992 increased approximately $10.2 million (45%) over revenue for the quarter ended May 31, 1991. This increase is primarily attributable to the internal growth the Company has experienced on the home care branches it acquired from CHA. Additionally, revenue of the Company's travel nurse program for the second quarter of fiscal 1992 was significantly higher than the comparable quarter of fiscal 1991 as the number of professionals working in 1992 was higher.

The Company's gross margin of 36.4% of revenue for the second fiscal quarter of 1992 is consistent with the three month period ending May 31, 1991. The Company's gross margin is subject to fluctuation due to a number of factors such as billing rates, pay rates and cost of travel and housing. The impact of these factors may vary due to competitive and seasonal factors as well as the geographic mix and type of service being performed by the Company.

Selling, general and administrative expenses as a percentage of revenue increased to 33% during the three months of 1992 from 31.3% during the three months of 1991. Most of this variation is attributable to the increasing percentage of the Company's medicare business relative to its consolidated operations; 53% and 34% in the second fiscal quarters of 1992 and 1991, respectively. Medicare requires substantially more administrative costs than does the Company's proprietary business due to its regulatory environment.

Interest expense decreased between the two periods as the average indebtedness amount outstanding decreased consistent with the Company's payments according to scheduled maturities of its term note and term loan.

HOSPITAL STAFFING SERVICES, INC.
PART II
May 31, 1992

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. CHANGES IN SECURITIES

None.

ITEM 3. DEFAULT UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

(a) On May 29, 1992, the Registrant held its 1991 Meeting of Stockholders.

(b) The following directors were re-elected at such Annual Meeting for the ensuing year:

Ronald A. Cass
Leonard J. Cass
Brian M. Lechner
Roderick C. Dickinson
William F. McConnell
Jack R. Kronfeld
Hector Luis Ziperovich, M.D.

There were no directors whose term continued past the Annual Meeting.

(c) The Registrant's shareholders vote to amend the Registrant's Articles of Incorporation to increase the total number of authorized shares of Common Stock to 20,000,000 shares. The number of affirmative votes cast with respect to this matter was 4,009561 and the number of negative votes cast with respect to this matter was 407,221.

The Registrant's shareholders also voted to amend the Company's Amended and Re-stated 1990 Stock Option Plan to provide for an increase in the number of shares of Common Stock which may be issued thereunder from 500,000 shares to 770,000 shares. The number of affirmative votes cast with respect to this matter was 3,769,308 and the number of negative votes cast with respect to this matter

was 586, 841.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits - None.

(b) Reports on Form 8-K

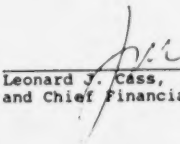
(c) A Form 8-K dated May 28, 1992 (date of earliest event reported) was filed with the Securities and Exchange Commission on June 8, 1992, with respect to events described under "ITEM 5. OTHER EVENTS." An exhibit described under ITEM 7. (b) was also filed therewith.

HOSPITAL STAFFING SERVICES, INC.
SIGNATURES
May 31, 1992

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HOSPITAL STAFFING SERVICES, INC.

By: _____
Ronald A. Cass, Chairman and
Chief Executive Officer



By: _____
Leonard J. Cass, President
and Chief Financial Officer